

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DIRECTORATE OF EDUCATION
(PRIVATE SCHOOL BRANCH)
OLD SECRETARIAT, DELHI-110054

No. F.DE.15 (1108)/PSB/2022/ 410 - 414

Dated: 16/01/23

Order

WHEREAS, Central Academy International School (School ID- 1821288) Sector-10, Dwarka, New Delhi- 110075, (hereinafter referred to as "the School"), run by the Shree Varinder Ghai Education Society (hereinafter referred to as the "Society"), is a private unaided school recognized by the Directorate of Education, Govt. of NCT of Delhi (hereinafter referred to as "DoE"), under the provisions of Delhi School Education Act & Rules, 1973 (hereinafter referred to as "DSEAR, 1973"). The school is statutorily bound to comply with the provisions of the DSEAR, 1973 and RTE Act, 2009, as well as the directions/guidelines issued by the DoE from time to time.

AND WHEREAS, every school is required to file a full statement of fees every year before the ensuing academic session under section 17(3) of the DSEAR, 1973 with the Directorate. Such statement is required to indicate estimated income of the school to be derived from fees, estimated current operational expenses towards salaries and allowances payable to employees etc. in terms of rule 177(1) of the DSEAR, 1973.

AND WHEREAS, as per section 18(5) of the DSEAR, 1973 read with sections 17(3), 24 (1) and rule 180 (3) of the above DSEAR, 1973, responsibility has been conferred upon to the DoE to examine the audited financial Statements, books of accounts and other records maintained by the school at least once in each financial year. Sections 18(5) and 24(1) and rule 180 (3) of DSEAR, 1973 have been reproduced as under:

Section 18(5): *'the managing committee of every recognised private school shall file every year with the Director such duly audited financial and other returns as may be prescribed, and every such return shall be audited by such authority as may be prescribed'*

Section 24(1): *'every recognised school shall be inspected at least once in each financial year in such manner as may be prescribed'*.

Rule 180 (3): *'the account and other records maintained by an unaided private school shall be subject to examination by the auditors and inspecting officers authorised by the Director in this behalf and also by officers authorised by the Comptroller and Auditor-General of India.'*

AND WHEREAS, besides the above, the Hon'ble Supreme Court in the judgment dated 27.04.2004 held in Civil Appeal No. 2699 of 2001 titled Modern School Vs. Union of India and others has conclusively decided that under sections 17(3), 18(4) read along with rules 172, 173, 175 and 177, the DoE has the authority to regulate the fee and other charges, with the objective of preventing profiteering and commercialization of education.

AND WHEREAS, in pursuance to order dated 08.06.2022 of the DOE, the school submitted its proposal for fee increase for the academic session 2022-23 though the condition to seek prior approval



of DOE for increase in fee is not there. Accordingly, this order dispenses the proposal for fee increase submitted by the school for the academic session **2022-23**.

AND WHEREAS, in order to ensure that the proposals submitted by the schools for fee increase are justified or not, this Directorate has deployed teams of Chartered Accountants at HQ level who has evaluated the fee increase proposals of the school very carefully in accordance with the provisions of the DSEA, 1973, the DSER, 1973 and other orders/ circulars issued from time to time by this Directorate for fee regulation.

AND WHEREAS, in the process of examination of fee increase proposal filed by the aforesaid School for the academic session 2022-23, necessary records and explanations were also called from the school through email. Further, the school was also provided an opportunity of being heard on 12th October 2022 to present its justifications/ clarifications on fee increase proposal including audited financial statements and based on the discussion, school was further asked to submit necessary documents and clarification on various issues noted.

AND WHEREAS, on receipt of clarification as well as documents uploaded on the web portal for fee increase and subsequent documents submitted by the school as a result of the personal hearing, were evaluated thoroughly by the team of Chartered Accountants. After evaluation of fee proposal of the school and its subsequent clarifications and submissions, following key suggestions for improvement were noted:

A. Financial Suggestions for Improvement

1. Clause No. 2 of Public Notice dated 04.05.1997 states "*It is the responsibility of the society who has established the school to raise such funds from their own sources or donations from the other associations because the immovable property of the school becomes the sole property of the society*". Additionally, Hon'ble High Court of Delhi in its judgement dated 30.10.1998 titled Delhi Abibhavak Mahasangh concluded states "*The tuition fee cannot be fixed to recover capital expenditure to be incurred on the properties of the society.*" Also, Clause (vii) (c) of Order No. F.DE/15/Act/2K/243/KKK/ 883-1982 dated 10.02.2005 issued by this Directorate states "*Capital expenditure cannot constitute a component of the financial fee structure.*"

Also, Rule 177 of DSER, 1973 states "*Income derived by an unaided recognized school by way of fees shall be utilized in the first instance, for meeting the pay, allowances and other benefits admissible to the employees of the school. Provided that, savings, if any, from the fees collected by such school may be utilized by its management committee for meeting capital or contingent expenditure of the school, or for one or more of the following educational purposes, namely award of scholarships to students, establishment of any other recognized school, or assisting any other school or educational institution, not being a college, under the management of the same society or trust by which the first mentioned school is run. The aforesaid savings shall be arrived at after providing for the following, namely:*

- a) *Pension, gratuity and other specified retirement and other benefits admissible to the employees of the school.*
- b) *The needed expansion of the school or any expenditure of a developmental nature.*
- c) *The expansion of the school building or for the expansion or construction of any building or establishment of hostel or expansion of hostel accommodation.*

- d) *Co-curricular activities of the students.*
- e) *Reasonable reserve fund, not being less than ten percent, of such savings.*

Based on the aforementioned provisions, cost relating to land and construction of the school building has to be met by the society, being the property of the society and school funds should not be utilized for this purpose.

On review of the audited financial statements for the FY 2021-22, it is noted that the school has incurred capital expenditure towards construction of school building of INR 2,26,51,640. Further, from review of the post hearing documents, it has been noted that the school has received a donation from Navratan Vidya Mandir Society amounting to INR 50,00,000 to meet its capital expenditure against building construction however, the remaining portion utilised against the building upgradation is sourced out of the school funds. It is also noted that the school incurred the above expenditure without complying with the provisions of Rule 177 of DSER, 1973. Given the fact that the school did not implement the recommendation of the 7th CPC fully.

Accordingly, the net amount of INR 1,76,51,640 (INR 2,26,51,640 minus INR 50,00,000) utilized by the school for construction of school building after adjustment of donation amount, has been included while deriving the fund position of the school with the direction to the school to recover the same from the society within 30 days from the date of issue of this order.

2. As per Clause 8 of order No. DE 15/ Act/ Duggal.Com /203 /99 /23033-23980 dated 15.12. 1999, Clause 23 of Order No. F.DE./15(56)/Act/2009/778 dated 11.02.2009 and Section 18(4) of DSEA, 1973 read along with Rule 176 and 177 of Delhi School Education Rules, 1973, "Fees/funds collected from the parents/students shall be utilised strictly in accordance with rules 176 and 177 of the Delhi School Education Rules, 1973. No amount whatsoever shall be transferred from Private Recognized Unaided School Fund to the society or the trust or any other institution."

The above position was subsequently amended through judgement of the Supreme Court in the matter of Action Committee, Un-Aided Private, Schools & Ors. vs Director of Education, Delhi & Ors. on 07.08.2009, whereby words "except under the management of the same society or trust" were added to the last sentence of the above para. Thus, the new sentence is read as follows; "No amount whatsoever shall be transferred from the recognized unaided school fund of a school to the society or the trust or any other institution except under the management of the same society or trust."

On review of audited financial statements of the school for the FY 2020-21 and FY 2021-22, it has been noted that the school has accounted transfer of funds to the society by adjusting the capital account amounting to INR 19,75,426 (INR 10,00,000 during FY 2020-21 and INR 9,75,426 in FY 2021-22). Further, based on the justification provided, the school claimed that the said funds are given to the society out of the school funds due to insufficiency of funds in the society. Such transfer of funds to the society is the contravention of the aforesaid provisions.

Accordingly, the total amount of INR 19,75,426 paid by the school to the society is recoverable from the society and therefore, has been included in the calculation of fund position of the school. The school is further directed to recover this amount from the society within 30 days from the date of issue of this order.

3. Clause 3 of the public notice dated 04.05.1997 published in the Times of India states “No security/ deposit/ caution money be taken from the students at the time of admission and if at all it is considered necessary it should be taken once and at the nominal rate of INR 500 per student in any case and it should be returned to the students at the time of leaving the school along with the interest at the bank rate.”

Further Clause 18 of Order no F.DE/15(56)/Act/2009/778 dated 11.02.2009 states “No caution money/security deposit of more than five hundred rupees per student shall be charged. The caution money thus collected shall be kept deposited in a scheduled bank in the name of the concerned school and shall be returned to the student at the time of his/her leaving the school along with the bank interest thereon irrespective of whether or not he/she requests for refund.”

On review of the financial statements for the FY 2021-22, it has been noted that the school has been collecting caution money from the students. But only principal amount is being refunded to the students at the time of his or her leaving from the school which is not in accordance with the clause 18 of the order dated 11.2.2009 and clause 3 of the Public Noted dated 04.05.1997. The school is hereby directed to comply with the above-mentioned provisions with respect to caution money collected from the student. Further, the amount refundable of INR 2,71,000 as on 31.03.2022 as reported in the audited Financial Statements for the FY 2021-22 has been considered while deriving the fund position of the school.

B. Other Suggestions for improvement

1. Clause 14 of the Order No. F.DE/15 (56)/ Act/2009/778 dated 11.02.2009 “Development fee, not exceeding 15% of the total annual tuition fee may be charged for supplementing the resources for purchase, upgradation and replacement of furniture, fixtures and equipment.” Thus, the development fee/funds should not be utilized for any other purposes other than those specified in Clause 14 of the Order dated 11.02.2009.

Also, as per Para 99 of Guidance Note on Accounting by Schools (2005) issued by the Institute of Chartered Accountants of India states “Where the fund is meant for meeting capital expenditure, upon incurrence of the expenditure, the relevant asset account is debited which is depreciated as per the recommendations contained in this Guidance Note. Thereafter, the concerned restricted fund account is treated as deferred income, to the extent of the cost of the asset, and is transferred to the credit of the income and expenditure account in proportion to the depreciation charged every year.”

Further, Para 102 of the Guidance Note-21 also states “In respect of funds, schools should disclose the following in the schedules/notes to accounts:

1. In respect of each major fund, opening balance, additions during the period, deductions/utilization during the period and balance at the end;
2. Assets, such as investments, and liabilities belonging to each fund separately;
3. Restrictions, if any, on the utilization of each fund balance;
4. Restrictions, if any, on the utilisation of specific assets.”

On review of the audited financial statements for the FY 2019-20 to FY 2021-22, it has been noted that the school has not been treating development fee as capital receipt. Instead, the school is treating it as revenue receipts for meeting revenue expenses of the school. Further, during personal hearing,

the school has explained that it does not have sufficient funds to meet the expenditure of the school thus, development fee is treated as revenue receipt for meeting operational expenses.

The school is also directed to ensure the collection and utilization of development fee/ fund in accordance with above cited Clause 14 of the order dated 11.02.2009. As per Clause 14 of the order dated 11.02.2009, the development fund/fee can only be used for purchase upgrade and replacement of furniture, fixture, and equipment not for other purposes.

Also, on review of audited Financial Statements of the School from FY 2019-20 to 2021-22, it has been noted that the school does not follow the accounting practice suggested in the guidance note cited above and do not maintain development fund, depreciation reserve fund and deferred income account. Accordingly, school is hereby directed to follow para 99 of GN-21 for correct presentation of its financial statements and make necessary rectification entries in its books of accounts. The compliance of the same will be reviewed in the subsequent fee increase proposal.

2. The school shall prepare a Fixed Assets Register (FAR) that captures date, asset name, amount, supplier name, invoice number, manufacturer's serial number, location, depreciation, asset identification number, etc. to facilitate identification of asset and documenting complete details of assets at one place as a part of internal control measure.

Therefore, the school is directed to prepare the fixed assets register with the above details and submit the compliance report within 30 days from the date of issue of this order.

3. Para 67(ii) of Guidance Note-21 issued by the Institute of Chartered Accountants of India, states "*The financial statements should disclose, inter alia, the historical cost of fixed assets.*"

However, the school has practice of reflecting its fixed assets at written down value and accordingly, the school is directed to disclose fixed asset at gross value on the face of balance sheet on the assets side and the accumulated depreciation on liability side of the Balance Sheet. The above being a presentation/ disclosure finding, no financial impact is warranted for deriving the fund position of the school.

4. As per Order No. F.DE-15/ACT-I/WPC-4109/Part/13/7905-7913 dated 16 April 2016 "*The director hereby specify that the format of return and documents to be submitted by schools under rule 180 read with Appendix-II of the Delhi School Education Rules, 1973 shall be as per format specified by the Institute of Chartered Accountants of India, established under Chartered Accountants Act, 1949 (38 of 1949) in Guidance Note on Accounting by Schools (2005) or as amended from time to time by this Institute*"

On review of the audited financial statements for the FY 2019-20 to 2021-22, it has been noted that the school did not prepare the financial statements as per the format prescribed in the order dated 16 April 2016 since the school failed to mention previous year's figures in Balance Sheet, Income and Expenditure Account.

The school is directed to ensure that the financial statements are prepared as per the requirements of aforementioned order of the Directorate.

5. Capital funds/ corpus funds represent the money used for purchase of assets to meet the long-term requirement of the organization. Whereas General funds is an accumulation of operating surplus/deficit. Therefore, both these funds cannot be equated with each other because both funds are created with different purpose and objectives. However, on review of the documents/information submitted by the school, it was noted that the school has been receiving funds from society and other related societies/institutions since 2016 onward as capital receipts which is being utilized for purchase of the capital assets such as Land and Building, Car, etc. Accordingly, the school has reported capital fund balance of INR 9,39,39,301 in the audited financial statement as on 31.03.2022.

However, the above capital fund being adjusted with the surplus/deficits generated by the school which is not correct. Therefore, the school is hereby directed to create a separate account for general fund distinct from the capital fund for better understanding to the reader of the audited financial statements. This being a procedural suggestion, no adjustment has been made in the fund position of the school.

6. Clause 103 on Related Party Disclosure, contained in Guidance Note 21 on 'Accounting by Schools', issued by the ICAI, there is a requirement that keeping in the view the involvement of public funds, schools are required to disclose the transactions made in respect of related parties.

From review of the audited financial statements of FY 2021-22, it has been noted that the school has taken capital fund from Shree Varinder Ghai Society amounting to INR 50,00,000 and has also transferred capital fund amounting to INR 9,75,426 but has not made any disclosure relating to related party transactions in its audited financial statements. In the absence of such details and purpose, genuineness of transactions entered between the related party cannot be determined. Therefore, school is hereby directed to make necessary adjustment in subsequent financial year in accordance with applicable provisions”.

7. The Directorate vide its order No. F.DE.15/Act-I/08155/2013/5506-5518 dated 04.06.2012 directed that the school shall provide 25% reservation to children belonging to EWS category. However, as per the information provided by the school for FY 2019-20 to FY 2021-22, it has been noted that the school was not complying with the abovementioned DOE's Order and condition mentioned in the land allotment letter which provides for granting of free ship to the extent of 25% to the children belonging to EWS category. Therefore, DDE District may be requested to look into this matter and ensure compliance with the above requirements. The details of total students and EWS students for the FY 2019-20 to 2021-22 are tabulated below:

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
EWS	-	4	14
Total Strength	472	486	476
% Of EWS students to total strength	-	1%	3%

8. As per Section 18(5) of the DSEA, 1973, the management committee of every recognised private school shall file every year with the Director such duly audited financial and other returns as may be prescribed, and every such return shall be audited by such authority as may be prescribed.

Further, Rule 180 of DSER, 1973 states “ (1) every unaided recognised private schools shall submit the returns and documents in accordance with Appendix-1, (2) Every return or documents referred to

in sub-rule (1), shall be submitted to the Director by the 31st day of July of each year.(3) The account and other records maintained by an unaided private school shall be subject to examination by the auditors and inspecting officers authorised by the Director in this behalf and also by any officers authorised by the Comptroller and Auditor General of India”

And Section 24 (2) of DSA. 1973 states “The Director may arrange special inspection of any school on such aspects of its working as may, from time to time, be considered necessary by him”.

Whereas Appendix-II to Rule 180 specify that “final accounts i.e., receipts, and payment account, income and expenditure and balance sheet of the preceding year should be duly audited by Chartered Accountant.

And it has been noticed that Financial Documents/ Certificates Attested by third person misrepresenting themselves as CA Members are misleading the Authorities and Stakeholders. ICAI is also receiving number of complaints of signatures of CAs being forged by non CAs.

To curb such malpractices, the Professional Development Committee of ICAI has come out with an innovative concept of UDIN i.e., Unique Document Identification Number which is being implemented in phased manner. It will secure the certificates attested/certified by practicing CAs. This will also enable the Regulators/Banks/Third parties to check the authenticity of the documents.

Accordingly, the Council in the 379th meeting of ICAI held on 17.12.2018 and 18 .12. 2018, made mandatory for all practicing member to obtain 18 digits UDIN before issuing any audits reports/ certification etc. in the following manner:

- All Certification done by Practicing CAs w.e.f. 01.02.2019.
- All GST & Tax Audit Reports w.e.f. 01.04.2019.
- All other attest functions w.e.f. 01.07.2019.

The review of the audited financial statements for the FY 2019-20 to FY 2021-22, it has been noted that the financial statements of the school were certified by the Chartered Accountant without mentioning the UDIN as required by the council. This being the procedural observation therefore, the school management are directed to ensure this compliance from the Auditor of the school.

9. According to the Directorate of Education Order No F. DE.-15/Act-I/WPC-4109/Part/13/7905-7913 dated 16.04.2016, In exercise of the powers confirmed by Clause (xviii) of Rule 50 and Rule 180 of the Delhi School Education Rules, 1973, the Director specified that the format of return and documents to be submitted by schools under Rule 180 read with Appendix-II of the Delhi School Education Rules, 1973 shall be as per format specified by the Institute of Chartered Accountant of India, established under Chartered Accountant Act 1949 (38 of 1949) in Guidance Note on Accounting by the Schools (2005).

Further, Para 58(i) of the Guidance Note states “A school should charge depreciation according to the written down value method at rates recommended in Appendix I to the Guidance Note.”

On review of the audited financial statements for the FY 2021-22, it has been noted that the school has not prepared Receipt and Payment account as a part of the financial statements as mention in the requirement of Directorate of Education Order No F. DE.-15/Act-I/WPC-4109/Part/13/7905-7913 dated 16.04.2016. Further, school has charged depreciation on fixed assets on written down value method at the rates prescribed in the Income Tax Rules, 1962. Therefore, school is directed to prepare

Receipt and Payment Accounts and to provide depreciation on assets in accordance with the rates recommended in Appendix I to the guidance note cited above.

After detailed examination of all the material on record and considering the clarification submitted by the school, it was finally evaluated/ concluded that:

- i. The total funds available for the FY 2022-23 amounting to INR **6,76,33,671** out of which cash outflow in the FY 2022-23 is estimated to be INR **2,51,24,715**. This results in surplus of INR **4,25,08,956** for FY 2022-23 after all payments. The details are as follows:

Particulars	Amount (in INR)
Cash and Bank balances as on 31.03.22 as per audited financial statements	36,98,097
Investments as on 31.03.22 as per audited financial statements (Refer Note 1 Below)	62,03,539
Liquid Funds Available with the School as on 31 Mar 2022	99,01,636
Add: Fees for FY 2021-22 as per Audited Financial Statements (Refer Note 2 Below)	3,64,95,400
Add: Other income for FY 2021-22 as per Audited Financial Statements (Refer Note 2 below)	18,80,569
Net available funds for FY 2022-23	4,82,77,605
Add: Amount recoverable from Society for amount paid against building construction (Refer Financial Suggestion No. 1)	1,76,51,640
Add: Amount recoverable from Society for the transfer of funds (Refer Financial Suggestion No. 2)	19,75,426
Less: Caution Money as on 31.03.2022 (Refer Financial Suggestion No. 3)	2,71,000
Less: Development Fund as on 31.03.2022 (Refer Other Suggestion No. 2)	-
Estimated availability of funds for FY 2022-23	6,76,33,671
Less: Budgeted expenses for the session 2022-23 (after making adjustment) (Refer Note 3 below)	2,43,00,000
Less: Salary arrears as per 7 th CPC (Refer Note 4 below)	8,24,715
Net Surplus	4,25,08,956

Note 1: The detail of fixed deposit held by the school as per the audited financial statements of FY 2021-22 is provided below:

Particulars	Amount (in INR)	Remarks
FDR with school	62,03,539	Available with the school for utilization.

Note 2: The Department vide its Order No.F.No.PS/DE/2020/55 dated 18.04.2020 and Order No.F.No.PS/DE/2020/3224-3231 dated 28.08.2020 had issued guidelines regarding the chargeability of fees during the pandemic COVID 2019. The department in both the above-mentioned orders directed to the management of all the private schools not to collect any fee except the tuition fee irrespective of the fact whether running on the private land or government land allotted by DDA/other land-owning agencies and not to increase any fee in FY 2020-21 till further direction.

The department in pursuance of the order dated 31.05.2021 in WPC 7526/2020 of Single Bench of the Hon'ble High Court of Delhi and interim order dated 07.06.2021 in LPA 184/2021 of the Division Bench of Hon'ble High Court of Delhi and to prevent the profiteering and commercialization, again directed to the management of all the petitioners private unaided recognized schools through its Order No. F. No. DE.15 (114) /PSB /2021 /2165-2174 dated 01.07.2021:

- (i) "to collect annual school fee (only all permitted heads of fees) from their students as fixed under the DSEAR,1973 for the academic year 2020-21, but by providing deduction of 15% on that amount in lieu of **unutilized facilities** by the students during the relevant period of academic year 2020-21". And if the school has collected the fee in excess to the direction issued by the Hon'ble Court, the same shall be refunded to the parents or adjusted in the subsequent month of fee or refund to the parents.
- (ii) The amount so payable by the concerned students be paid in six equal monthly instalments w.e.f. 10.06.2021.

On review of the audited financial statements of FY 2021-22 and based on the further information provided by the school, it has been noted that the school has reported 85% of the tuition fees, annual charges and development fees in its audited financial statements of FY 2021-22 on receipts basis. Therefore, the income collected by the school during the FY 2021-22 with respect to tuition fee, annual charges and development fees has been grossed up on accrual basis to make comparative income with the FY 2022-23. The detailed calculation has been provided below:

Table A

Particulars	Income as per Fee Reconciliation submitted by the school for the FY 2021-22	Income Considered while deriving the fund position for the FY 2022-23	Remarks
Recognised Unaided School Fee	3,09,80,638	3,64,95,400	Fees has been considered as per reconciliation of FY 2021-22 provided by the school. Further, bifurcation of fee head is not reflected in the audited financial statements. Therefore, the school is directed to record all the fee heads separately in the subsequent year for better accounting and presentation.

All the other income as per audited financial statements of FY 2021-22 has been considered with the assumption that the amount received in FY 2021-22 will at least accrue during FY 2022-23.

Note 3: All budgeted expenditure proposed by the school has been considered while deriving the fund position of the school except depreciation amounting to INR 79,13,084 being a non-cash item.

Note 4: In accordance with Section 10(1) of Delhi School Education Act 1973, scales of pay and allowance, medical facilities, pension gratuity, provident fund, and other prescribed benefits of the employees of a recognized private school shall not be less than those of the employees of the corresponding status in schools run by the appropriate authority.

Further, Directorate of Education has adopted the Central Civil Serviced (Revised Pay) Rules, 2016 vide Circular No 30-3(17)/(12)/VII pay Comm./2016/11006-11016 dated 19.08.2016 and No. 30-3(17)/(12)/VII pay Comm./Coord./2016/12659-12689 dated 14.10.2016 for employees of Government Schools.

Further, in exercise of the powers conferred under clause (xviii) of Rule 50 of the Delhi School Education Rules, 1973, vide Competent Authority order No DE.15 (318)/PDB/2016/18117, dated 25.08.2017, the managing committees of all Private unaided Recognized Schools have already been directed to implement central Civil Services (Revised Pay) Rule, 2016 in respect of the regular employees of the corresponding status with effect from 01.01.2016 (for the purpose of pay fixation and arrears). Further, guidelines/detailed instructions for implementation of 7th CPC recommendations in Private Un-aided Recognized Schools of Delhi has been issued vide DOE order dated 17.10.2017.

During the personal hearing, school explained that it has not implemented 7th CPC recommendation till now and require fee increase for the same. The school was requested to submit the detailed employee wise calculation of salary arrears as per 7th CPC recommendation. In response, the school provided calculation on the salary arrears for the period from July 2022 to October 2022 only. Accordingly, the same has been considered while calculating the fund position of the school.

- ii. In view of the above examination, it is evident that the school has sufficient funds to carry on its operation for the academic session 2022-23 on the existing fee structure. In this regard, Directorate of Education has already issued directions to the schools vide order dated 16.04.2010 that,

“All Schools must, first of all, explore and exhaust the possibility of utilising the existing funds/ reserves to meet any shortfall in payment of salary and allowances, as a consequence of increase in the salary and allowance of the employees. A part of the reserve fund which has not been utilised for years together may also be used to meet the shortfall before proposing a fee increase.”

AND WHEREAS, in the light of above evaluation which is based on the provisions of DSEA, 1973, DSER, 1973, guidelines, orders and circulars issued from time to time by this Directorate, it was recommended by the team of Chartered Accountants that along with certain financial and other irregularities, that the sufficient funds are available with the school to carry out its operations for the academic session 2022-23. Accordingly, the fee increase proposal of the school may be rejected.

AND WHEREAS, recommendation of the team of Chartered Accountants along with relevant materials were put before the Director of Education for consideration and who after considering all the material on the record, and after considering the provisions of section 17 (3), 18(5), 24(1) of the DSEA, 1973 read with Rules 172, 173, 175 and 177 of the DSER, 1973 has found that the school has sufficient funds for meeting financial implication for the academic session 2022-23. Therefore, Director (Education) has rejected the proposal submitted by the school to increase the fee for the academic session 2022-23.

Accordingly, it is hereby conveyed that the proposal of fee increase of **Central Academy International School (School ID- 1821288) Sector-10, Dwarka, New Delhi- 110075** is rejected by the

Director of Education. Further, the management of said School is hereby directed under section 24(3) of DSEAR 1973 to comply with the following directions:

1. Not to increase any fee in pursuance to the proposal submitted by school on any account for the academic session 2022-23 and if the fee is already increased and charged for the academic session 2022-23, the same shall be refunded to the parents or adjusted in the fee of subsequent months.
2. To ensure payment of salary is made in accordance with the provision of Section 10(1) of the DSEA, 1973. Further, the scarcity of funds cannot be the reason for non-payment of salary and other benefits admissible to the teachers/ staffs in accordance with section 10 (1) of the DSEA, 1973. Therefore, the Society running the school must ensure payment to teachers/ staffs accordingly.
3. To utilize the fee collected from students in accordance with the provisions of Rule 177 of the DSER, 1973 and orders and directions issued by this Directorate from time to time.

Non-compliance of this order or any direction herein shall be viewed seriously and will be dealt with in accordance with the provisions of section 24(4) of Delhi School Education Act, 1973 and Delhi School Education Rules, 1973.

This is issued with the prior approval of the Competent Authority.

Nandini

(Nandini Maharaj)
Additional Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi

To:

The Manager/ HoS
Central Academy International School
School ID- 1821288
Sector-10, Dwarka, New Delhi- 110075

No. F.DE.15(108)/PSB/2022/ 410 - 414

Dated: 16/01/23

Copy to:

1. P.S. to Principal Secretary (Education), Directorate of Education, GNCT of Delhi.
2. P.S. to Director (Education), Directorate of Education, GNCT of Delhi.
3. DDE (South West B) ensure the compliance of the above order by the school management.
4. In-charge (I.T Cell) with the request to upload on the website of this Directorate.
5. Guard file.

Nandini

(Nandini Maharaj)
Additional Director of Education
(Private School Branch)
Directorate of Education, GNCT of Delhi